GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6070
ANSWERED ON:27.04.2001
COMPANIES REFERRED TO BIFR
PUTTASWAMY GOWDA;VUKKALA RAJESWARAMMA

Will the Minister of FINANCE be pleased to state:

(a) whether the BIFR has asked the State Bank of India to look into the accounts of some companies, which have been referred to it for decision;

(b) if so, the details thereof;

(c) whether during the auditing of accounts of some companies, the bank found gross irregularities committed by officers of these companies; and

(d) if so, the details thereof and the action taken against these officers.

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) Yes, Sir. As on 31.1.2001, State Bank of India (SBI) was appointed by BIFR as Operating Agency (OA) in 169 sick industrial companies registered with them. Wherever serious doubts were raised by the secured creditors about the sickness of a company, the SBI was asked to look into the accounts of the company under Section 16(2) of the Sick Industrial Companies (Special Provisions) Act, 1985 and make a report to BIFR on its own or through a reputed firm of Chartered Accountants to conduct a Special Investigative Audit (SIA) within specified time schedule.

(c) SBI has reported that no enquiry in regard to irregularities committed by officers were directed by BIFR.

(d) Does not arise.